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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/726,277	11/30/2000	Theodore Hagelin	156P013	5290

7590 12/30/2004

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EXAMINER

WOO, RICHARD SUKYOON

ART UNIT	PAPER NUMBER
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3629

DATE MAILED: 12/30/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

# Office Action Summary

Application No.

09/726,277

Applicant(s)

HAGELIN, THEODORE

Examiner

Richard Woo

Art Unit

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

## Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

## Status

- 1) ☒ Responsive to communication(s) filed on 22 September 2004.
- 2a) ☐ This action is FINAL. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

## Disposition of Claims

- 4) ☒ Claim(s) 1-16 and 18-21 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-16 and 18-21 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

## Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

## Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.

## Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)  
Paper No(s)/Mail Date \_\_\_\_\_.
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_\_.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: \_\_\_\_\_.

## **DETAILED ACTION**

### ***Response to Arguments***

- 1) Applicant's Amendment filed September 22, 2004 has been entered and acknowledged.
- 2) Although the Applicant's argument filed September 22, 2004, with respect to the rejection under 35 U.S.C. 101 has been fully considered, the examiner maintains the position for the rejection. In response to Applicant's argument that other patent shows similar claim languages as recited by the applicant, the examiner cannot comment on the patentability issue of already issued patents of others.

For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract that do not apply, involve, use, or advance the technological arts fail to promote the "progress of science and the useful arts" (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory subject matter. For a process, the recited process must somehow apply, involve, use, or advance the technological arts.

- 3) Applicant's arguments, with respect to the rejections under 35 U.S.C. 112 and 102/103 have been fully considered and are persuasive. The rejections of a previous office action has been withdrawn.

### ***Claim Rejections - 35 USC § 101***

- 4) 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

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5) Claims 1-16 and 18-21 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Please refer to the previous office action for the rationale behind the rejection.

***Claim Rejections - 35 USC § 102***

6) The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

7) Claims 1-3, 5-6, 8-9, 12, and 15-16 are rejected under 35 U.S.C. 102(e) as being anticipated by Elliott (US 2003/0061064).

As for Claim 1, Elliott discloses a method comprising the steps of:

calculating a monetary value of a tangible asset associated with the intangible asset (see paragraphs [0008], [0009], [0011], [0025], [0026], [0100] – [0115], [0118]-[0120], [0146]);

determining a competitive advantage of the tangible asset over competing tangible assets as a percentage thereof (see, [0106] and [0108] to determine the competitive advantage); and

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calculating a value for the intangible asset based upon a relative contribution of the intangible asset to the competitive advantage of the tangible asset (see Supra paragraphs).

- As for Claim 2, Elliott further discloses the method, wherein the calculating step includes the steps of:

determining a total annual gross sales in a market for the tangible asset (see [0100]-[0115]);

determining an annual percent growth of the market (see Id.);

determining a life cycle in years of the tangible asset (see Id.);

determining a profit margin of the tangible asset as a percent of gross sales;

determining a present value discount factor; and

summing a multiple of the total annual gross sales, the annual percent growth, the profit margin, and the present value discount factor over each year of the life cycle of the tangible asset (see [0100]-[0115]).

- As for Claim 3, Elliott further discloses the method, wherein the step of determining a competitive advantage includes the steps of:

identifying at least one parameter associated with the tangible asset relevant to commercial success in the marketplace (see [0100]-[0115]); and

comparing the parameter with at least one parameter of at least one competing tangible asset to determining the competitive advantage of the tangible asset as a percent variation (see Id.).

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As for Claim 5, Elliott discloses a method comprising the steps of:

determining a present monetary value of an intended market for the pre-market product;

calculating a competitive advantage of the pre-market product in the intended market as a percent variation;

predicting a market share of the pre-market product based on the competitive advantage; and

calculating a monetary value for the pre-market product by multiplying the predicted market share and the present monetary value of the intended market (see paragraphs [0008], [0009], [0011], [0025], [0026], [0100] – [0115], [0118]-[0120], [0144 (*...not yet existence but foreseeable...*)], [0146]).

- As for Claim 6, Elliott further discloses the method including:

determining a total annual gross sales in the intended market for the pre-market product;

determining an annual percent growth of the market as a percent;

determining a life cycle in years of the pre-market product;

determining a profit margin of the pre-market product as a percent of gross sales;

determining a present value discount factor; and

summing a multiple of the total annual gross sales, the annual percent growth, the profit margin, and the present value discount factor over each of the life cycle of the

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pre-market product (see paragraphs [0008], [0009], [0011], [0025], [0026], [0100] – [0115], [0118]-[0120], [0144 (*...not yet existence but foreseeable...*)], [0146]).

- As for Claim 8, Elliott further discloses the method including the steps of:

determining an average market share of the market; and

multiplying the average market share by the competitive advantage (see *Id.*).

As for Claim 9, Elliott discloses a method comprising the steps of:

determining a monetary value to a licensor and licensee based on a change in monetary value of a tangible asset associated with an intangible asset subject to the license (see [0146]-[0163]); and

calculating the monetary value to the licensor and licensee by comparing the change in monetary value.

As for Claim 12, Elliott discloses a method comprising the steps of:

calculating a change in a competitive advantage of a tangible asset associated with the intangible asset as a percent variation; and

calculating the monetary value by multiplying the change in the competitive advantage of the tangible asset and an average market share in an intended market (see paragraphs [0008], [0009], [0011], [0025], [0026], [0100] – [0115], [0118]-[0120], [0146]).

As for Claim 15, Elliott discloses a method comprising the steps of:

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determining a competitive advantage as a percent variation of the tangible asset in an intended market;

determining an average market share as a percent of the market; and

multiplying the average market share and the competitive advantage (see paragraphs [0008], [0009], [0011], [0025], [0026], [0100] – [0115], [0118]-[0120], [0146]).

As for Claim 16, Elliott discloses a method comprising the steps of:

calculating a monetary value of the tangible asset;

calculating an amount of firm expenditures on research and development, advertising, and business innovation as a percentage of total firm expenditures; and

multiplying each percent of firm expenditures with the monetary value of the tangible asset (see paragraphs [0008], [0009], [0011], [0025], [0026], [0100] – [0115], [0118]-[0120], [0146]).

### ***Conclusion***

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

US 6,321,205 is cited to show a method and system for evaluating the probable impact of user-specified or system generated changes in business value drivers on the other value drivers, the financial performances and the future value if a commercial enterprise.



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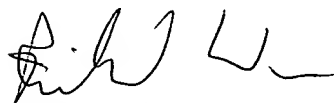
CA 2,201,429 is cited to show a novel process of valuing soft assets, such as programming knowledge, operational databases and intangible assets. The invention would allow an organization to make predictive analysis and assist in strategic decisions.

"Intellectual Property Valuation" is cited to show an overview of the key concepts that must carefully be considered when valuing or computing infringement damages for any intellectual property.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Richard Woo whose telephone number is 703-308-7830. The examiner can normally be reached on Monday-Friday from 8:30 AM -5:00 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, John Weiss can be reached on 703-308-2702. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



Richard Woo  
Patent Examiner  
Art Unit 3629  
December 23, 2004



DENNIS RUHL  
PRIMARY EXAMINER